

Message Text

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ACTION EUR-12

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E.O. 11652: N/A
TAGS: ELAB, UK, PINT
SUBJECT: NUM EXECUTIVE AND COAL BOARD REACH AGREEMENT
OVER EARLY RETIREMENT DEMAND

REF: LONDON 0336

1. THE NATIONAL UNION OF MINERS AND THE NATIONAL COAL BOARD YESTERDAY (JANUARY 12) AGREED TO A COMPROMISE IN THE MINERS' EARLY RETIREMENT CLAIM, THUS AVERTING A THREAT TO THE SOCIAL CONTRACT AND A STOPPAGE IN THE INDUSTRY. THE AGREEMENT WAS ACCEPTED BY THE UNION'S EXECUTIVE (VOTING 14-11) AND WILL NOW GO TO THE PITS FOR RATIFICATION.

2. THE AGREEMENT ALLOWS FOR VOLUNTARY RETIREMENT AT AGE 62 OF WORKERS WITH 20 YEARS EXPERIENCE UNDERGROUND; RETIREMENT AGE WILL PHASE DOWN TO 60 WITHIN TWO YEARS OF THE INITIATION OF THE SCHEME. IN ADDITION, EARLY RETIREES WILL CONTINUE TO RECEIVE A 500 POUND TAX-FREE LUMP SUM, WHICH IS PART OF THE PRESENT RETIREMENT BENEFITS. IT WILL NOT BEGIN UNTIL THE NEW PAY POLICY ALLOWS IT, BUT THERE IS GENERAL EXPECTATION THAT PRO-

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VISIONS WILL BE MADE TO COVER EARLY RETIREMENT FOR MINERS AFTER JULY 31ST WHEN THE CURRENT WAGE RESTRAINT POLICY EXPIRES.

3. A SETTLEMENT WAS MADE POSSIBLE AFTER THE BOARD "SWEETENED" ITS ORIGINAL OFFER OF VOLUNTARY RETIREMENT AT AGE 64 TO UNDERGROUND WORKERS WITH 25 YEARS

EXPERIENCE AND REDUCING RETIREMENT AGE ANNUALLY TO 62 WHEN THE PAY POLICY ALLOWED IT. THE MINERS INITIALLY HAD SOUGHT RETIREMENT AT FULL PAY FOR ALL MINERS WITH 10 YEARS' SERVICE TO START AT AGE 60 BEGINNING JANUARY 1977 AND REDUCING SEMI-ANNUALLY TO 55 BY 1980.

4. IN A TELEVISION INTERVIEW LAST NIGHT MINERS PRESIDENT JOE GORMLEY SAID HIS UNION WOULD CONTINUE TO NEGOTIATE WITH THE COAL BOARD FOR EXTENSION OF THE SCHEME TO SURFACE WORKERS, BUT HE IS SATISFIED WITH THE SETTLEMENT. HE SAID NEGOTIATIONS MEANT COMPROMISE AND THAT THE SETTLEMENT REPRESENTED A PLATFORM THE UNION COULD BUILD ON. HE APPEARED CONFIDENT THAT THE PIT BALLOT WOULD BE IN FAVOR OF THE ACCORD.

5. COMMENT: SINCE THE EARLY RETIREMENT SCHEME IS EXPECTED TO PROVIDE ABOUT 80 PER CENT OF THE WORKER'S FINAL YEAR OF SERVICE AVERAGE WEEKLY EARNINGS TO THOSE QUALIFIED UNDER ITS TERMS, AND SINCE THE GOVERNMENT HAS REFUSED TO PROVIDE ANY SPECIAL SUBSIDY TO COVER THE ADDITIONAL COSTS, IT IS EXPECTED THAT THE PRICE OF COAL WILL RISE. THEORETICALLY, INCREASED PRODUCTIVITY WOULD PROVIDE AT LEAST SOME OF THE RESOURCES NEEDED BUT THE IMMEDIATE PROSPECTS FOR IMPROVED PRODUCTIVITY ARE NOT GOOD.

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